

CITY COUNCIL MINUTES
March 30, 2015

The Honorable Council of the City of Evansville met on regular session at 5:30 p.m. on Monday, March 30, 2015 in the City Council Chambers, Room 301 Civic Center Complex, Evansville, Indiana, with President H. Dan Adams presiding. The following business was conducted.

These minutes are not intended to be a verbatim transcript. Audiotapes of this meeting are on file in the City Clerk's Office.

President Adams: The Honorable Council of the City of Evansville is hereby called to order. Madam Clerk, please call the roll.

ROLL CALL:

Present: McGinn, Mosby, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

President Adams: There being nine (9) members present and zero (0) absent and nine members represent a quorum, I declare the session of the Common Council officially opened.

PLEDGE OF ALLEGIANCE

Councilman McGinn, would you lead us with the Pledge of Allegiance?

RECOGNITION OF SCHOOLS

Are there any students to be recognized here tonight? Okay. No Teen Advisory?

COUNCIL ATTORNEY

Our City Council Attorney tonight is Scott Danks.

SERGEANT AT ARMS

Officer Adams is our Sergeant at Arms this tonight. A familiar face.

Councilman O'Daniel: I think there was somebody from the Teen Advisory. Was there somebody that...?

Unidentified Speaker: *(Off Mic) (Inaudible)*

Councilman O'Daniel: Raise your hand.

President Adams: Oh, okay. We can sign your thing.

APPROVAL OF MINUTES

Is there a motion to approve the minutes of the March 9 meeting of the Common Council as written?

Councilman Lindsey: *(Off Mic)* So moved.

Councilman O'Daniel: Second.

President Adams: We have a motion and a second. All those in favor? Opposed? So ordered.

REPORTS AND COMMUNICATIONS

IN YOUR MARCH 27th PACKET:

- * Ordinances F-2015-3 Amended, G-2015-9, R-2015-6, R-2015-7, R-2015-8 & R-2015-9
- * City Council Meeting Agenda and Committee Meeting Schedule for March 30, 2015
- * Area Plan Commission Report and Meeting Minutes dated March 12, 2015
- * Evansville Redevelopment Commission Meeting Minutes for March 3, 2015
- * Weights and Measures Monthly Report from February - March 2015
- * EHA 2014 Annual Report

EMAILED MATERIAL:

- * City Council Meeting Minutes for March 9, 2015

ON YOUR DESK THIS EVENING:

- * Extended Agenda for March 30, 2015
- * Letter from Senator Vaneta Becker regarding Med School
- * Résumé from Applicant for the Commission on Social Stratus of African-American Males
- * Memo from the Controller's Office Concerning Office Space Rental

President Adams: I just want to pay...call attention to Senator Becker's letter which fully supports our med school, which is obviously what we all need to do.

Is there a motion to receive, file, and make these reports and communications a part of the minutes of the meeting?

Councilwoman Mosby: So moved.

Councilman Weaver: Second.

President Adams: There's a motion and a second. All those in favor? All those opposed? So ordered.

MAYOR WINNECKE HOTEL UPDATE

President Adams: Now, what we've been waiting for. Our esteemed mayor will join us and give us an update. Thank you for coming.

Mayor Winnecke: Thank you Mr. President and fellow members of the Council. Appreciate you putting me at the top of the agenda tonight as we do have our public hearing on blight elimination. It begins in just a few moments over at the Browning Room.

It is my pleasure to be back before you to give you an update on the convention hotel project. I'm pleased to report that we are on track and the outlook is positive.

We are all aware, I believe, of the issues that have caused our most recent delays. HCW went back to the drawing board to see how we could still...if we could still build a 240-room, full service hotel within our budget. The answer to that is yes we can.

Their solution was to eliminate the apartment tower component from the project, allowing the construction of a five-story, 240-room hotel over a wider footprint. That is the rendering that you see now. There will still be a three-way connection between the hotel, the Ford Center, and the Old National Events Plaza. There will still be a restaurant and a bar. The conference space remains as originally planned. The parking garage will be positioned as it originally was planned and will have 552 spaces, 300 of which will be dedicated to the medical school.

The fourth sheet that is in your packet that you've been handed is a page from the revised development agreement which represents the project budget. The hotel construction is estimated at 44 million dollars. The parking garage is slightly over 10 million dollars. The sky bridges, 2.5 million dollars. The connector building, \$700,000. Infrastructure and streetscape, 2.6 million dollar, and improvements, renovations to the Old National Events Plaza at one million dollars for a total project budget of \$60,850,000.

On the funding side, the City remains at 20 million dollars and we heard you loud and clear at one of our recent meetings that the City's contribution to the hotel not exceed 25% of the hotel construction budget. It is at 23% or 9.9 million of the 20 million dollars.

We have 3.6 million dollars coming from the County, of which two million dollars is from the Convention and Visitor's Bureau. \$4,650,000 will be allocated from the medical school project to account for the expanded parking garage on site.

And HCW's commitment is \$34,050,000; 10 million dollars of that is from its equity partner, Old National Bank, and I think it's important to note that HCW has increased its commitment on this project by two million dollars since the change in design.

The total sources of funding equal \$62,300,000.

So what happens next? Tomorrow morning the Redevelopment Commission will consider approval of a new development agreement between the City and HCW. Assuming approval, HCW will immediately...immediately begin work on the construction drawings for the redesigned hotel, which we estimate will take approximately 70 days.

Once the construction drawings are complete, the project will go to bid. That should take another 30 days. This time around, the contractor will be working with the architects, and the contractor, by the way, is Hunt Construction. They'll be working with the architects throughout the design phase so as to make sure the scope of the project does not increase during the design phase so when the bids come back, they're much more likely to be within the budget. During this process, and slightly after the bids come back, a new appraisal will be performed and HCW will need to close on their private sector financing.

All this is to say as we anticipate construction beginning sometime in the August - September time frame.

And with that I'd be happy to entertain any questions you have.

Councilman O'Daniel: I do. I just got a chance to glance at the development agreement this afternoon and the...I'm glad you did Exhibit F because that's what I was going to show. The funding sources; as I recall the 20 million dollar bonding included the County and CVB portions and it seemed to me that that...and then what we were going to bond it for and they were going to repay that as part of it and so it seems too met that this appears to have been counted twice, that 3.6 million.

Mayor Winnecke: No, the 20 million dollars was the City's commitment; the 3.6 million dollars from the County was always contemplated to be separate. The County's 3.6 million dollars, approximately 1.6 million dollars came from a refinancing of bonds from the Old National Events Plaza and the County provided that cash to us up front, and then the CVB money would be accounted for...\$200,000 a year over a 10-year period but we've not received any of that but that was the 3.6 million dollars was always separate from the City's money.

Councilman O'Daniel: I don't believe that's right.

Councilwoman Brinkerhoff-Riley: That's not true.

Councilman O'Daniel: I don't think that's right. I mean I'd be happy to go back and look at it with you but it was...and I don't think I'm misremembering this but...

Councilwoman Brinkerhoff-Riley: No, and we discussed it in meetings that we were really only borrowing 16.5 and that we were borrowing 3.5 on behalf of the County and they going to repay us between the CVB and the County Council at \$350,000 a year for ten years.

City Attorney Cirignano: Excuse me. Nick Cirignano, City Attorney's office. I certainly can't speak to maybe what you spoke about in internal meetings but I would direct your...

Councilwoman Brinkerhoff-Riley: It was a City Council meeting; it was here...

City Attorney Cirignano: Okay.

Councilwoman Brinkerhoff-Riley:...in this room.

City Attorney Cirignano: But I would direct your attention to Ordinance G-2013-14 Amended and it quite clearly indicates that the bonding capacity in this project is 20 million dollars. Section 5 provides that the City shall issue bonds in one or more series, total maximum principle amount of 20 million dollars.

Councilwoman Brinkerhoff-Riley: Yeah, no. We borrowed 20 million but the County was going to pay us \$350,000 for 10 years...

Councilman Friend: Yeah.

Councilwoman Brinkerhoff-Riley:...because we questioned why we were...

Councilman O'Daniel: *(Off Mic)* That's exactly right.

Councilwoman Brinkerhoff-Riley:...why we were borrowing...

Speaking Simultaneously

President Friend: Same thing.

Speaking Simultaneously

Councilman O'Daniel: \$200,000 and then...

Councilwoman Brinkerhoff-Riley: Two million from the CVB and then the County Council passed their resolution during that process but I...

Mayor Winnecke: Going back many months, going back many, many months, to when we had the...when there was a discussion about whether the City's commitment would be 37 million or 20, several of you said 20 million is where you had the cap for that and then in subsequent meetings, I know Dr. Adams, and maybe two or three others, made it clear that the...they didn't want...that you didn't want the City's contribution to the hotel piece to exceed 25% so we abided by that but when we went from 37 million, I mean this goes back many, many months; a couple years now, many of you said that your cut-off was 20 million dollars from the City. I mean I remember that vividly.

President Adams: Could I make a suggestion?

Mayor Winnecke: Absolutely.

President Adams: I think you're both right. I think we heard what you're describing but the main driver of that was for us to keep the City's component under 25%. You and I had long discussions about what the national average was from that. And as I see it, it's 23%. It's what we originally asked for. Now the question I have for you, and you and I have talked about this and that's why I'm asking you right in front of everybody, do we have enough money for the Downtown TIF to make sure this medical school get the proper funding because, from my point of view, the med school takes...is way ahead of this particular project and I'm not saying I'm against the project; I'm just saying I'm really worried about...

Mayor Winnecke: I understand.

President Adams:...with all sorts of thing that are happening within the TIF, do we have enough money for the 57 million dollars that we've committed for this med school.

Mayor Winnecke: Yes, we do. Our financial consultant has analyzed it several times and the answer is always yes.

President Adams: But it's going to be tight.

Mayor Winnecke: It will be tight.

President Adams: Yeah, okay.

Councilwoman Brinkerhoff-Riley: When was the last time that our bonding capacity for the Downtown TIF was analyzed?

Mayor Winnecke: This spring...or since...this year, this calendar year.

Councilwoman Brinkerhoff-Riley: This calendar year...

Mayor Winnecke: I believe that's right. Just...

City Controller Lloyd: *(Off Mic)* Yes. *(Inaudible)*

Mayor Winnecke: I mean we have an email from Mr. Swintz that was...it's been in the last several weeks. Was it...I thought it was since January.

City Controller Lloyd: *(Off Mic)* Last week.

Mayor Winnecke: Last week.

Councilwoman Brinkerhoff-Riley: And that's with the reliance on the four million to continue coming out of Riverboat to pay on the arena bond. Is that correct?

Mayor Winnecke: Correct.

Councilwoman Brinkerhoff-Riley: And then ultimately with Food &...excuse me, with Food & Beverage to shift over at about 4.3 million in 2019.

Mayor Winnecke: 2000...ah, that bond is paid off in...

City Controller Lloyd: *(Off Mic)* 2018.

President Adams: February of...

Mayor Winnecke:...of '18 I believe.

Councilwoman Brinkerhoff-Riley: It's paid in '18. I don't know how it comes in in terms of...what bothers me about the bonding capacity, as you discuss it, is that I don't think the City ever...when we built the arena it was always with the understanding that the four million that we were taking out of Riverboat was a short term payment. You know Mayor Weinzapfel funded the arena, went to the state legislature so that Food & Beverage would go there next.

Mayor Winnecke: Right.

Councilwoman Brinkerhoff-Riley: 8.3 million dollar payment: four from TIF, four from Riverboat with the understanding that five years in, the four million from Riverboat would be replaced with Food & Beverage and that Riverboat would return to its origin of use, which was for capital projects. And what you've done in the last three years is you have borrowed that four million again so that we're in a perpetual state of that four million in Riverboat coming in to pay debt related to this Downtown TIF, right?

Mayor Winnecke: I don't agree with the analysis and I think Russ could back me up on that. The funding sources for the arena remain the Riverboat and the TIF and the Food &...the excess Food & Beverage revenue. When the bonds are paid off for the Old National Events Plaza, as you mentioned, all that Food & Beverage money will go toward the arena bond.

Councilwoman Brinkerhoff-Riley: Right, and it's enough to relieve the Riverboat funds from being used on that debt.

City Controller Lloyd: *(Off Mic)* Right.

Councilwoman Brinkerhoff-Riley: But now that's not possible.

City Controller Lloyd: I mean the Food & Beverage will still be coming in at the same time that the Centre, Old National's paid off.

Councilwoman Brinkerhoff-Riley: That's right but it'll go to the arena bond. That's what the state law requires.

City Controller Lloyd: It goes to the arena bonds first.

Councilwoman Brinkerhoff-Riley: Right, and it's about 4.4 million?

Councilman O'Daniel: *(Off Mic)* In total.

Councilwoman Brinkerhoff-Riley: So that other four million will be paid out of Riverboat or TIF. It doesn't matter because you'll need an additional...you'll need those Riverboat funds whether you pay it on the arena bond or you pay it on the medical school bond. I mean the TIF is not paying these bonds.

Councilman O'Daniel: Well the TIF pays half...

Councilwoman Brinkerhoff-Riley: Not alone.

Councilman O'Daniel:...and the Riverboat pays half. You have balance.

Councilman Friend: *(Off Mic) (Inaudible)*

Councilman O'Daniel: In 2018, all those Food & Beverage, which is about 4.4. Right now we get about \$700,000 or so. *(Inaudible)* will go...

Councilwoman Brinkerhoff-Riley: Right, but the other four will be paid by TIF.

Councilman O'Daniel: It'll be split, TIF, and it'll relief it by about 1.8 million each.

Councilman Friend: Russ, can I ask you something? What...

Councilwoman Brinkerhoff-Riley: No, can I finish my question?

Councilman Friend: Oh, I'm sorry. Go ahead.

Councilwoman Brinkerhoff-Riley: Let me just finish. I'm sorry because I want to make a point. You've estimated the Downtown TIF to bring in 5.6 million for 2015. Is that correct?

City Controller Lloyd: I thought it was higher than that. That's just the...

Councilwoman Brinkerhoff-Riley: That's where it...what it ran in the newspaper.

City Controller Lloyd: Okay.

Councilwoman Brinkerhoff-Riley: So if four of that goes to the arena and you don't use Riverboat...if four of that goes to the arena that leaves you 1.6. You'll...the arena runs at a million dollar deficit between its maintenance and deficiency in revenue. You've got the Victory that runs at a half million dollar deficiency on an annual basis.

City Controller Lloyd: I think last year the arena...the deficit was approximately \$300,000.

Councilwoman Brinkerhoff-Riley: Well that's before that you add the Building Authority.

City Controller Lloyd: No, that included that because VenuWorks has a positive cash flow from their portion of it. The Building Authority is negative, obviously.

Councilwoman Brinkerhoff-Riley: Yeah, about \$900,000.

City Controller Lloyd: Okay, but VenuWorks makes up enough to have the overall deficit of about 300.

Councilwoman Brinkerhoff-Riley: My point remains the same. You can't pay for these projects without accessing Riverboat funds on your bond payments. Yes or no?

City Controller Lloyd: Well, that's the way the bond for the arena was set up.

Councilwoman Brinkerhoff-Riley: Right, but do you deny that that long-term plan was that the Riverboat would be replaced with Food & Beverage and the Riverboat would go back to going towards capital.

City Controller Lloyd: I mean the bonds...of course you have a bond indenture. They were set up for those various funding sources, backed up by COIT, with the City

deciding which way to allocate the payments. I mean I don't...and I have not seen the latest financial analysis from the consultant but he indicated while it would be tight for a couple of years that there will be sufficient funding to pay all these bonds.

Councilwoman Brinkerhoff-Riley: Well when River...when Food & Beverage comes in, but it will still require Riverboat is my point...

City Controller Lloyd: *(Inaudible)* bond.

Councilwoman Brinkerhoff-Riley:...regardless of what order you put it in.

City Controller Lloyd: Right, and the bond could be structured so that you make interest payments to start and then principle at a later time when you have more funds available. But I don't, I mean, for 2011, and obviously, none of us were here, whether there was a commitment that once Food & Beverage came in, Riverboat would come out. I'm not sure that that was ever made. I've not seen that in the bond documents.

Councilman Friend: Ca...

Councilwoman Brinkerhoff-Riley: Sorry, go ahead.

Councilman Friend: Just one qu...can I ask one qu...what is, Russ, what is the debt service on the, the total debt service on the Centre, I mean the...excuse me, Old National Bank Events Plaza?

City Controller Lloyd: You meant what the County pays?

Councilman Friend: Well I mean what's the...just what's the debt service on that.

Mayor Winnecke: *(Off Mic)* I don't know.

Councilman Friend: I think it was around two million dollars, isn't it? Something like that?

City Controller Lloyd: Right and it's winding up...

Councilman Friend: It's two million.

City Controller Lloyd: It's 1.7 or 2 or something like that.

Councilman Friend: Is it 3.5? I don't know, I'm asking. Is it 3.5?

Councilman O'Daniel: *(Off Mic)* When they refinanced they did it...

Mayor Winnecke: *(Off Mic)* I think it's *(Inaudible)*.

Councilman Friend: About three?

Mayor Winnecke: You'd have to check but I believe it is.

Councilman Friend: About three million. I guess what I'm concerned...I attended the Rotary Club the other day when I guess Randy talked about this and he indicated this year we're 5.4 million and I went and I thought well, if you had a 5% growth factor in that TIF based on that and I...and I went through, looked to get to 2018, February of 2018, that's when the ONB Event Center is paid for, I was coming up and almost with a direct match, very close to a direct match, of what the projected debt service would be 5...about 8.5 million dollars and we all know one thing, the bond, the underwriters will never let you go to the ceiling. When we did the Ford Center we have a debt coverage ratio of 1.4 to 1, okay, and if we do 1.4 to 1 we got to show we got revenue sources of 12 million dollars; that's a 12 million dollar number and that concerns me because I really feel that if Old National Bank got their appeal through their building and knocked a million dollars off theirs that Vectren will be right behind it. And if they get a million one, million two shaved off that, we will be in real tight situation; more than I'd even want to think about, it keeps me up at night, if we need 12 million dollars of revenue to support all these three projects downtown.

City Controller Lloyd: Okay, well I...

Councilman Friend: Can you tell me where I'm wrong?

City Controller Lloyd: Well, I mean in my conversations with the Assessor, I don't know that they're...he indicated to me he doesn't have any large appeals coming forward. The Vectren headquarters is quite a bit older building so, you know, whether...I don't know that that's coming forward.

Councilman Friend: Well it's a possibility.

City Controller Lloyd: Could be.

Councilman O'Daniel: I see Mr. Jones here. What will be ONB's equity investment in this?

ONB President Jones: *(Off Mic)* Ten million dollars.

Councilman O'Daniel: Okay, and you said the developer's adding two on top of what they had before.

When you came in here, I guess it was in what, December I guess, thereabouts when the hotel was dead or perhaps it was January. Originally the hotel component itself was supposed to be 31 million I believe.

Mayor Winnecke: It was never that...the hotel, I think the last...before this, was in the 46 to 48 range of just the hotel.

Councilman O'Daniel: Okay, and I think you indicated that there was 36 available. It was sort of the number thrown out.

Mayor Winnecke: When we...in mid-December, we were looking at gap, a funding gap of...

Councilman O'Daniel: Eight million.

Mayor Winnecke:...6.5 to 8 million dollars. People...

Councilman O'Daniel: So where has that been made up?

Mayor Winnecke: A couple of ways. One, we've reduced the size of the hotel so it's less expensive. HCW has increased its equity into the project.

Councilman O'Daniel: By two million. And how much is the hotel gone down by. You said 46 to 48 so.

Mayor Winnecke: 48...

Councilman O'Daniel: Two to four million there and HCW went up two.

Mayor Winnecke: There's six million, and I'm using round numbers here.

Councilman O'Daniel: Okay. And then is ONB's changed at all? Okay.

Mayor Winnecke: Old National's was originally 14. It's 10 now.

Councilman O'Daniel: Okay, so that takes out the four so we're still four million off over the proposed inves...the proposal, right? So if you decrease the hotel project by 48 to 44 and ONB's is down; there's two up...it's still only a two million dollar difference. I don't see how we still have met the funding gap.

Schuler of VPS Architecture: Okay, good evening. I'm Sarah Schuler with VPS Architecture and I have been looking at the construction costs with the Mayor and then also the project costs and that's how you get that difference between what you are citing as just a construction around the 30...it was actually around 39 million.

Councilman O'Daniel: *(Off Mic)* Okay.

Schuler of VPS Architecture: And then when you add the soft cost to it that's why we're talking in terms of 46 to 48 million.

And primarily what has been going on is...through our analysis of the costs, because there's different soft costs that are also involved here, HC...

Councilman O'Daniel: Are those the engineering, the 1.7 that's already been paid out by the ERC?

Schuler of VPS Architecture: Yeah, in part.

Councilman O'Daniel: Okay.

Schuler of VPS Architecture: In part, yes. And HCW, along with Hunt, has done an analysis and from where we had received the last bids to where we're looking at now, they have saved approximately two, or...I'm going to read the exact number so I don't mess it but it's \$6,270,000 and this is, in part, because of different soft cost funding as well as just...because the hotel costs in general have been...it has been reduced in complexity so the overall construction cost has also gone down.

The other difference...

Councilman O'Daniel: Can I stop you there?

Schuler of VPS Architecture: Yes.

Councilman O'Daniel: Is that the difference between the original one, which was, at least the whisper number was 20% above to when then went back and got it rebid; it was still 6.5 million dollars to high. Is that correct?

Schuler of VPS Architecture: Yes, it was correct.

Councilman O'Daniel: So it reduced as far as value engineering, I think, was the words that was used, correct?

Schuler of VPS Architecture: That's correct.

Councilman O'Daniel: Alright, so we're still six million off.

Schuler of VPS Architecture: And that's why through this redesign, the efforts that have been made to take a look at the design overall has reduced the complexity of the building while still providing the parameters that we have defined, such as the number of rooms and the amenities that we need to provide a full service hotel to support the Old National Events Plaza has still been maintained, along with the DoubleTree standards but the actual building itself has been reduced in height and stories; it's spread over a larger area and all of these things together have added up to where we were: a savings of 6.2 million dollars.

Councilman Friend: Can I ask a question? I'm looking at these...this contract. I have figures crossed out through here and these...this is the original one here and I'm seeing the hotel and conference center was 35 point...35 million, three hundred in the...and the public, our side of it is \$7,500,000 brings us to 42.8 million dollars but then I got 44 million here. The cost per key on this one, based on 252, comes into \$170,000 a key. This one is \$183,000 a key on 240 rooms. I'm a little confused.

Schuler of VPS Architecture: I don't have that right here in front of me. I need to see it...

Councilman Friend: Why don't you come on down; I'll give 'em to you.

Schuler of VPS Architecture: Okay, I'll take a look.

Councilman Friend: You see the...

Schuler of VPS Architecture: So you're saying...

Councilman Friend: Well what they did right here. This is what originally was in there and it's all been crossed out because this is the new...it's a new contract. You can see that the number there plus that one...okay, it comes to be 42 thou...42,800,000. This one, now is this...this had 252 rooms. I'm confused. And this one has 140.

City Attorney Cirignano: Yeah and I can *(Inaudible)*...

Councilman Friend: 240, 240.

City Attorney Cirignano: I think it's simply an education process. We now know what the hotel's going to cost.

Schuler of VPS Architecture: That's exactly what I wanted to say. What you're seeing there is the...is the funding. Obviously once this was bid, it did not meet those funding...that's where had our gaps. Once it was bid, the price was over that amount. That's why we're here.

Councilman O'Daniel: Can I...can I ask you? You said that you found, well or at least you're proposing, some six million dollars of additional cuts because less steel, whatever it may be; wider footprint. Where do those costs come from? I mean is that broken down as to where the savings occur?

Schuler of VPS Architecture: Okay, that cost is really being administered through HCW, the developer, and Hunt Construction Company along with the architect that they're working with.

Councilman O'Daniel: Are there any bids though to actually give you that real number?

Schuler of VPS Architecture: They're...

Councilman O'Daniel: Or is that just their proposal?

Schuler of VPS Architecture: At this point, that is based off of schematic design so that means that the architect worked up a design and said, "Okay, put it out to the contractor", and they...they sat on a schematic design price and while it wasn't put out to bid, it was based on the market knowledge that they have of this particular market.

Councilman O'Daniel: With all due respect though, their market was off by 20% before and 10% after that, right?

Schuler of VPS Architecture: Let's hope...okay...

Councilman O'Daniel: If not more. I'm just, you know...

Schuler of VPS Architecture: Possibly but I do believe that through this bidding process there is more direct contact. I mean they have numbers now. They have numbers even from the last bid that they can use and apply that isn't just an estimate number; it's actually...it's based on a bid number.

Councilman O'Daniel: Do you have those numbers?

Schuler of VPS Architecture: I do not personally have those numbers. That's, again, being administered through HCW and Hunt. They have those numbers; we get the summary that you're looking at.

Councilman O'Daniel: So that's what they're telling you...

Schuler of VPS Architecture: Uh-hm.

Councilman O'Daniel:...but you haven't seen the numbers.

Schuler of VPS Architecture: Just broad categories, not detailed numbers.

Councilman McGinn: Just...I mean it's really...I hope you're not going to ask for those numbers because those numbers are really kind of secret. If they get out then...

Councilman O'Daniel: No, no. I mean I...

Councilman McGinn:...the bidding process for each one of these subcontractors is just really...it's gone, it's off, and it ruins the possibility of this deal going through.

Councilman O'Daniel: No, no, no. I'm not...I'm just saying that, you know I mean I'm trying to get a basis upon which she's making her statement and...

Councilman McGinn: But schematics...the drawings...you're pretty close to knowing what you're going to be paying when you hit schematic design.

Schuler of VPS Architecture: And, thank you, and that's why, as the Mayor mentioned previously, there is an agreement between HCW and Hunt, at this point, when they start to work through the final document development that Hunt will be involved so that there is not a scope creep based on the assumptions that they have so that...

Councilwoman Brinkerhoff-Riley: So this is going to be rebid though?

Schuler of VPS Architecture: Yes, it will...

Councilwoman Brinkerhoff-Riley: Hunt is going to actually bid it. I know a lot of contractors have made contact wanting to make sure that it's going...

Schuler of VPS Architecture: Yes.

Councilwoman Brinkerhoff-Riley:...to be a new bid process.

Schuler of VPS Architecture: It will be a new public bid process that is required because of the public funding sources.

Councilwoman Brinkerhoff-Riley: Yeah, so there's that chance that it'll be off but I'm with Dan. I mean I don't want to know the numbers. I just wanted to know...I mean obviously it's been significantly off in the past and at least it sounds like you have more hope about this cycle that it'll be closer.

Schuler of VPS Architecture: Yes.

Councilwoman Robinson: Will ERC take action on this tomorrow?

Mayor Winnecke: *(Off Mic)* That's the request, yes.

Councilwoman Brinkerhoff-Riley: I have a question about the resolution. The resolution that you're putting in front the ERC tomorrow eliminates the ERC from the process going forward. The resolution states that tomorrow, once they approve it, that either the president, the vice-president or the director of the DMD can give approval from that point forward so design, construction contract, construction budget, whether they've, you know, tried hard enough to get a DoubleTree flag, all...that's what the resolution says.

City Attorney Cirignano: You...sure, we could...I mean we could tweak that if it's a problem. I mean I can assure you there's nothing nefarious planned, *(Inaudible)*...

Councilwoman Brinkerhoff-Riley: No, no but it takes the...it takes an appointed board out of the process.

City Attorney Cirignano: Yeah I actually don't even have it right in front of my but typically...

Councilwoman Brinkerhoff-Riley: I do.

City Attorney Cirignano:...whenever we have a resolution, we will say something like, and I think Ms. Musgrave has raised this before, the non-material items can be corrected or, you know, you fix the dates, you know, that sort of thing. Certainly there's no intention to empower Kelley Coures, or anyone else, to materially change the contract or the deal. I mean absolutely.

Councilwoman Brinkerhoff-Riley: The development agreement refers to the DMD much more often than it refers to the ERC and this resolution would make it so that you would not have to go back before the ERC for decisions.

City Attorney Cirignano: Well, you know, typically what we say is that it's...it'd be for non-material changes such as correcting dates, things like that. We can certainly amend it for the approval process tomorrow to ensure that anything that needs to be changed with respect to the contract that would be rise to any sort of materiality level would go back before the ERC.

Councilwoman Brinkerhoff-Riley: Okay, so you're willing to just...

Councilwoman Robinson: Because...

Councilwoman Brinkerhoff-Riley:...let me ask one more.

Councilwoman Robinson: I'm sorry, go ahead.

Councilwoman Brinkerhoff-Riley: Since you're up, let me ask you...Page 7 of the development agreement under the section Hotel Brand, "Shall mean a national hotel franchise brand generally considered in the hospitality industry to be a full-service hotel which may be from time to time proposed by the developer and consented to by DMD, which consent will not be unreasonably withheld or delayed provided it is initially contemplated that developer will make application for approval of a DoubleTree hotel franchise". So that doesn't even require that they apply for a DoubleTree franchise.

City Attorney Cirignano: That's actually the...

Councilwoman Brinkerhoff-Riley: It just says that, "...it is initially contemplated".

City Attorney Cirignano: That was the original language in the agreement and we didn't change everything with this agreement; we just tried to pull out the hotel and correct the budget, or update the budget, some things like that, and so when this was written, this was actually written...we didn't know for sure whether or not it would be DoubleTree but we knew that it was going to be a full-service hotel that could support the convention business. As you know, they've already been approved, previously approved, by DoubleTree so...

Councilwoman Brinkerhoff-Riley: Well they withdrew their application.

City Attorney Cirignano: No, they were approved but they have to...they'll have to take it back through again with the redesign to make sure that the redesign meets all the requirements of DoubleTree.

But you're correct. I mean when we wrote this we didn't know for sure that it would be DoubleTree but now we do and...

Councilwoman Robinson: No we still don't know because it has to be approved, doesn't it?

Mayor Winnecke: It does but the fact of the matter is that HCW has had ongoing dialogue with Hilton relating to the DoubleTree brand during all this so yes, it is possible it wouldn't be. I'd say it'd be highly unlikely that it would not be.

Councilwoman Brinkerhoff-Riley: Well then the reality is that you don't to have already applied because you only, what is it, 24 months from the time the application is approved to build the hotel so I mean I'm not...I'm just verifying what your contract says. I mean, you know, when you look at a completion date of April of 2017, you, you know, you really wouldn't want to have applied yet so I understand that is in the mix but it's just your contract doesn't require it. I understand it's contemplated. They pulled their application before and lost a portion of the application fee and I know that will have to be redone so with a 24-month timeline, I'm assuming that's coming but what...why are we...why don't they close until August? Why are we losing the construction season of the summer? And this has dragged on, literally, so why now, from this development agreement, does HCW get four months, again, to put their financing together?

City Attorney Cirignano: Well the closing date is actually for the protection of the City. Bear in mind that one of the subsidies, or one of the factors that's in play here, is that we are transferring real estate, downtown real estate, to this developer to build the hotel where we want it. That's part of the process. Well, we don't want to transfer that property to the developer until we know that 1) they've been approved for a full-service hotel, 2)...which are...these are all contingencies in the agreement...2) that they have their financing lined up, 3) that they have their equity investment approved and locked down and that they are ready to move forward so the whole reason why the closing doesn't occur until then is actually for the protection of the City.

Councilwoman Brinkerhoff-Riley: Right, which is a good point because there's a lot of things that haven't been done yet in terms of you don't really have it...you don't have a construction budget, you don't have a construction contract, you don't have a franchise.

City Attorney Cirignano: And that's true, you know...

Councilwoman Brinkerhoff-Riley: But are we celebrating prematurely again?

Mayor Winnecke: *(Off Mic)* We are not celebrating.

City Attorney Cirignano: We're not celebrating anything. I think what we're telling you is that we have what we now believe is a viable deal and so in terms of the budget, once again, until they have signed a guaranteed price contract with Hunt we will not

transfer the land. The City will not move forward past that process until they have signed their contract with Hunt for a set price, they've closed on their financing, and they've confirmed their equity investment.

Councilwoman Brinkerhoff-Riley: Are we going to be able to see the agreement between HCW and Old National Bank?

City Attorney Cirignano: I think that's probably a private matter but...

Councilwoman Brinkerhoff-Riley: Well and let me just tell you why I asked. I was able to see the pay vouchers and I can see the activity of the Dallas law firm. I can see during...that represents HCW. I can see October, November, December where there is a flurry of activity between Old National Bank and HCW. Do you re...and thank you. I mean you requested due diligence; you required personal financial commitments from the principals of HCW, excluding their wives. There've been revisions and revisions of this contract between you and HCW. I'm actually...feel much better about...just so happens that because we pay half of the attorney bills accrued by HCW that I can see that itemized billing and so I appreciate it. I mean it's been a big part; I mean you sticking with this but what I can see, and I only get to see this one attorney's billing, is that it sounds like it's a partnership.

ONB President Jones: It is.

Councilwoman Brinkerhoff-Riley: It sounds like if they default at some point, you...you own...you take. It becomes yours.

ONB President Jones: Well us and the banks', quite frankly. I've...

Councilwoman Brinkerhoff-Riley: Right.

ONB President Jones: Yeah.

Councilwoman Brinkerhoff-Riley: And so I just...I think that that probably interests people. I mean that's a heck of a stand-up move but I think we also want to understand what your thinking was and so...and I'm not talking about disclosing it to the public but I'm curious as to your agreement with HCW, given the amount I can see that was done in those...in the last few months.

ONB President Jones: *(Inaudible)*

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: Well at least the end of last year.

ONB President Jones: Sure. Councilmen, Bob Jones. I'm president and CEO of Old National Bank. We're happy to share whatever...quite frankly, Councilwoman, our commitment is because we believe this is the right thing to do for the City. We've been in this city for 180 years. This project's taken a lot longer than any of us wished but we're willing to do whatever it takes to make you comfortable. I'll share whatever I have. We're just here to do the right thing so whatever you want you can have it.

Councilwoman Brinkerhoff-Riley: Right and maybe, I don't know, Conor might be a better person to...

ONB President Jones: No, I don't want to deal with Conor.

Laughter

Councilwoman Brinkerhoff-Riley: Well you know how...

ONB President Jones: We're happy to share with anybody. You know, John Friend and I, we'll share it with, you know, as long it's not in public. You know, as Councilman McGinn said, certain parts of this you don't want to get out...

Councilwoman Brinkerhoff-Riley: No.

ONB President Jones:...you want *(Inaudible)* a competitive process.

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: No. I just appreciate that you vetted it that you did some things at the end of last year...

ONB President Jones: We have vetted this more I'd like to vet anything I've ever done in my career but I'm glad to get it, hopefully, get it behind us.

I'm happy to answer any other questions while I'm here.

Councilwoman Brinkerhoff-Riley: I don't know if I have anymore.

President Adams: Thank you for being here tonight.

ONB President Jones: It's our city; it's important.

ONB President Jones: If I get Connie to get a smile on me it might be a little better.

Councilman O'Daniel: *(Off Mic)* There you go. She knows how to work a room.

ONB President Jones: I'll smile anytime for you, Mr. Jones.

Councilwoman Brinkerhoff-Riley: No, that was the only one I had that specifically...but I was...

ONB President Jones: And again, Councilwoman, we're glad, you know Scott Abraham...Scott and I, we'd be happy to sit down and go through anything that makes you more comfortable. We have, and I can tell you, we've talked to the bankers financing this on the other side. The commitment's in place. We have validated that. We know the bankers very well. Our commitment is in place. You know, while we are not celebrating, we've made a lot of progress through your diligence and the Mayor's diligence.

Councilwoman Brinkerhoff-Riley: Okay, are you going to be the trust administer for this as well? Are you a...are you...

Mayor Winnecke: The bonds; you are.

ONB President Jones: We are on the bonds.

Councilwoman Brinkerhoff-Riley: Okay. Does that, I don't know if it creates any...

Speaking Simultaneously

ONB President Jones: No, we have fiduciary liability. You know, we've a fiduciary... there's a Chinese Wall that exists between the bank and the trust company so...

Councilwoman Brinkerhoff-Riley: Okay.

ONB President Jones: Yeah, there is no issue there. That happens quite frequently *(Inaudible)*.

President Adams: Are there any more comments?

Councilman Friend: I just want to ask Mayor one thing. What I'm puzzled about is on the garage. Originally the garage came in...we had 336 places in the garage. That worked out to be \$16,100 per parking spot. Now we're going up to 556 dol...no...

Mayor Winnecke: 552.

Councilman Friend: 552 and that comes out to be around \$19,000 which is, you know, so we go larger and usually, what I usually think about, you get economies of scale when you go larger from 336 places to 552, and so we're up to 19. And what's interesting is in Louisville, Kentucky they have an 800 garage was built for \$12,000,

which basically came in at 9.6 million dollars and they get 800 and we're going to pay out \$10,050,000 and we only get 556. Can you...and by the way, that garage over in Louisville's got a commercial things, much like the old garage we had here so that even drives the cost even higher. Can you please reconcile this *(Inaudible)*?

Mayor Winnecke: The last time I did the math I thought it about \$18,000 or so, maybe a little...18 and change per space. That includes all of the soft costs.

Councilman Friend: Right.

Mayor Winnecke: We did talk to...I didn't personally but someone from DMD talked to the developer in Louisville on the garage that you referenced.

Councilman Friend: Yeah.

Mayor Winnecke: They said that the article that had that information was inaccurate. It was in...did not include any of the light...any of the LED lighting. It left out some of the other decorative components of it so the article was really inaccurate. One of the things that drives parking garage costs in Evansville versus a Louisville is the fact that we're in a greater seismic activity zone so there are different regulations relating to that than say a Louisville. We'd be much more on par with St. Louis in terms of that. But that, and just basically the geography, is one of the larger drivers.

Councilman Friend: But I thought because of the hotel itself was going from 10 stories down to five that one of the size requirements also went away because of the...wouldn't the garage follow suit?

Mayor Winnecke: I'm just talking about what's required...what drives a founda...what drives a parking garage in Evansville versus a Louisville. The costs are going to be more expensive because of seismic standards here.

Schuler of VPS Architecture: Mayor, I will address that.

Mayor Winnecke: Sure.

Schuler of VPS Architecture: The seismic requirements do not go away. That is there and by coming down in the number of stories for the hotel development, it does change the foundation system somewhat but it definitely does not relieve you of the...any of the seismic requirements that were in place previously. What it dramatically does change is the code requirements from being a high-rise structure to being more standard structure. You don't have to meet the high-rise requirements, which is...and it's greater due to the higher stories and greater risk to public safety. I have also looked at the

numbers that you're citing in this Louisville article. In addition to having to having talked to the developer there, we have analyzed them. And please bear in mind that this is just construction cost that they're citing for you and when you take the total cost, that's soft costs and everything else added together to give you that greater cost that we're looking at.

Councilman Friend: Did you ever have the opportunity to find out what those soft costs were that'd been on that...

Schuler of VPS Architecture: For Louisville?

Councilman Friend: Yes.

Schuler of VPS Architecture: We did not but we find out that the construction cost was more in the range of a 14.5 per space, \$14,000. I'm sorry, I'm getting...it's \$14,500 per space.

Councilman Friend: It's still quite a big difference between Evansville. I have a hard time getting my arms around the fact that we would have to payout nearly...

Councilwoman Robinson: *(Off Mic)* \$18,000 per space.

Councilman Friend: Well, it's about \$19,000. That much differential...I never thought...

Schuler of VPS Architecture: Ours is about \$18,000 but that does include the soft costs. That's the...that's the budget that we have and at this point, I mean, we will be working to meet the budget that is listed that you have seen that's been allocated. So there are different factors that go into that budget number, one being just the aesthetics of it and I have not seen the garage that was built in Louisville, so beside the structure and the geography, meaning the foundation system, there's also just the aesthetics of the garage itself that need to be considered.

Councilman Friend: I appreciate that. Can I ask you one more question?

Schuler of VPS Architecture: Yeah.

Councilman Friend: This diagram here, this brown is what's in the...already within the auxiliary cost. This green is representing other revenues.

Schuler of VPS Architecture: Yes.

Councilman Friend: That's what's in the contract. I need...I would really like to know, 1) is what does that entail and what...where...1) is what it's going to cost for that and what is the source of the revenue because it's not in this...within this package.

Councilwoman Brinkerhoff-Riley: It is within the package, John. It's in the 12.5.

Mayor Winnecke: *(Off Mic)* It is.

Councilman Friend: Was it 12.5? Okay.

Councilwoman Brinkerhoff-Riley: It's in the 12.5. Can I...I have a question on the parking garage since we're talking about it.

Schuler of VPS Architecture: Yes.

Councilwoman Brinkerhoff-Riley: And I'm sorry if I'm dominating. The parking garage; I don't understand it fundamentally. Because this is a parking garage that won't be used for a government purpose it will be taxed and so when we build this parking garage, we're going to do a 25-year lease with the ability for them to extend it to 65 years but in the meantime we're responsible for the taxes, the property taxes on the structure, insurance, maintenance, monitoring, cleaning it. The first year lease is a dollar and then years two and three are \$72,000. I mean I don't understand how the parking garage is going to work because you're...we're leasing it to HCW, which will decide the cost to park there. You've got 300 spots that are going to be on those upper levels that are related to the med school and we're ceding all control to them while we maintain all the responsibility. You know, our parking garage fund is negative \$94,000 at the end of January. How do we live off \$72,000 in a lease even to maintain it or does it become the fourth parking garage in the downtown area that we struggle to care for appropriately.

City Attorney Cirignano: That's a good question. As you may know, 300 of the spots in parking garage are allocated to the medical school and part of our proposal to IU and part of why we probably won that RFP process was because we were able to provide 300 spaces for the use of the medical school because in a downtown area the parking was an issue. So the City, in that process, was taking on the burden of providing 300 spaces to the medical school. That was going to be something we agreed to to get it.

So the zoning code requires that the hotel, given the number of rooms and maximum shift of employees, requires two hundred and...

Councilwoman Brinkerhoff-Riley: 252.

City Attorney Cirignano: What's that?

Councilwoman Brinkerhoff-Riley: 252.

City Attorney Cirignano: Yeah, 252 spaces. So that's how we came up with the 552 number. So one of the things about the parking garage that I think is good for the City is that it's not going to be like our other parking garages that are manned and we have someone there that collects money from time to time, and I must admit, I'm not a...I never use 'em so I don't know exactly how much goes into that but the way this is going to work is the hotel will be in charge of those 252 spaces. There'll be an automated gate for the folks that either work over at Deaconess Clinic or the medical school for them to park in their allocated spaces. There'll be a sky bridge across to the medical school and...

But the good deal on this, for the City, is that after we take out employment costs of the folks that we have manning our parking garages is our average is about \$55,000 per year so...so we're going to be collecting. We have an opportunity here to basically lease a block of spaces to the hotel; they have to have 'em to meet the zoning requirement, and in the first year it's only a dollar, you're right, because that's part of their ramp-up process. They asked for that and we agreed. But after that it's \$72,000 a year and then there's CPI escalators after that so we think that we should stay well out in front of our maintenance cost on that, and actually, we might make a little bit of money on it. Don't tell HCW.

But the other thing to keep in mind too is we've committed to have a parking garage for the medical school and...

Councilwoman Brinkerhoff-Riley: No, I don't have a problem with that but are those going to be free? I mean when we lease it to HCW...

City Attorney Cirignano: The medical school spaces are free. That was part of our deal with IU.

Councilwoman Brinkerhoff-Riley: And so IU will manage getting those people their swipe cards in terms of getting into that.

City Attorney Cirignano: Yeah, that'll be Evansville Health Realty. That'll be...they'll...they've...they'll pay for the, you know, any sort of arm, that sort of thing.

Councilwoman Brinkerhoff-Riley: Who's responsible for monitoring it, like keeping it safe, picking up trash...

Unidentified Speaker: *(Off Mic)* The hotel.

Councilwoman Brinkerhoff-Riley: Hotel?

City Attorney Cirignano: Yeah, I mean...

Councilwoman Brinkerhoff-Riley: Is that all? Is that lease agreement done or is that yet to be...

City Attorney Cirignano: That's yet to be completed.

Councilwoman Brinkerhoff-Riley: Okay, all right. Can I go again? Somebody else? The ancillary projects...we're responsible for any cost overruns...

City Attorney Cirignano: Absolutely.

Councilwoman Brinkerhoff-Riley:...of the 12.5.

City Attorney Cirignano: Yes.

Councilwoman Brinkerhoff-Riley: So we've made a commitment to specific things. They're responsible for overruns in the hotel.

City Attorney Cirignano: Yes.

Councilwoman Brinkerhoff-Riley: We're responsible on the ancillary. What concerns me is the infrastructure; what's underground as we...

City Attorney Cirignano: You know the infrastructure, and I think Sarah can speak to...

Councilwoman Brinkerhoff-Riley:...build this hotel...

City Attorney Cirignano: The infrastructure is, along with the hotel, an area that is really well developed at this point and I guess it's just because that's...that was part of the process in the construction (*Inaudible*) on the hotel, but that's a very solid number at this point.

Schuler of VPS Architecture: Yeah, and you have every right saying that whenever you get into the soils and foundations that that's usually where some unexpected costs may come from and they have...there's a couple of different things that they've looked at. There are some allowances even for the soils. There's been a geotechnical report done...

Councilwoman Robinson: Yeah.

Schuler of VPS Architecture:...that showed that there needs to be some modifications made and that has been budgeted and I believe that they have studied this with their structural engineers extremely well at this point to have a very good price in there. In addition to that, the developer also has a contingency to cover some of those unexpected items.

Councilwoman Brinkerhoff-Riley: Related to ancillary or just the hotel?

Schuler of VPS Architecture: Um...related to the hotel but part of that is that development of that hotel site, which is...

Councilwoman Brinkerhoff-Riley: Right. I mean if there's water and sewer issues, theoretically that's their overrun as opposed to ours.

Schuler of VPS Architecture: And there're designs that have already been put into place for the sewer to pick that up because as a city, there is a project that's going to start and I don't know this date exactly. I've only...I'm aware of it just on the fringes that the sewer is being developed around that to pick up this as well as the IU School of Medicine.

Councilwoman Brinkerhoff-Riley: Okay. Unemployment, Page 29; you cover how the hotel will operate itself once it's running and I thank you that there's a LGBT antidiscrimination clause, but we have done local labor agreement to make sure that the construction of the hotel is done locally. We've done nothing for the hiring of the long-term hotel employees. There's no preference for Evansville residents or people from this area and we know that HCW is not managing it themselves. I understand it's a company out of Texas and so how are we going to send them the message that we want Evansville residents, or Vanderburgh County I mean, hired in these jobs.

City Attorney Cirignano: Well, I mean look, this is the agreement and if someone wants to work here...

Councilwoman Brinkerhoff-Riley: At least you're honest.

City Attorney Cirignano:...I would assume that they would live in the community. You know, at some point we're asking a private developer to come to our city and put a hotel where we want it to enhance our convention business. I get wanting to make it as absolutely advantageous as possible for our city. I spent many hours trying to do that, but on some level I can't tell, you know, (*Inaudible*) I can't say "I", but the City can't dictate every single aspect of how they operate their business after we hand it over to them. At some point it wouldn't be viable. There's a give and take to this process. We have tried our best to get every possible advantage for the City in this agreement.

ONB President Jones: Councilwoman, I would tell you as one of the equity investors, I'll be glad to have that conversation and encourage them as they're the second largest equity investor to say, "Please, hire as many people". We've worked with Councilwoman Robinson to insure the folks from her ward and others there so...

Councilwoman Brinkerhoff-Riley: Yeah, I mean they're not high-tech jobs for the most part and...

ONB President Jones: No, no, and they're important for the City and that's why we want to do this but, you know, Nick's right; it's in the agreement. But we will certainly encourage them to do all the things they need to do to do it right.

Councilwoman Brinkerhoff-Riley: Okay. I just have one more question. The assignment; the contract on Page 33 allows HCW to divest itself before the closing date. And thank you. That means a lot.

City Attorney Cirignano: I'm sorry. What are you looking at?

Councilwoman Brinkerhoff-Riley: Page 33: Assignment. If they make it to the closing date, they've got to own the property for five years.

City Attorney Cirignano: Right.

Councilwoman Brinkerhoff-Riley: Why is in the agreement that they could assign...is that just so they can move to another maybe...

City Attorney Cirignano: I think this was because they wanted to do a special purpose entity for this. Developers typically have single purpose entities for each one of their projects.

Councilwoman Brinkerhoff-Riley: So they're going to form an...either another corporation...

City Attorney Cirignano: I think they've already...they've already done that. That's...

Councilwoman Brinkerhoff-Riley: But our contract's with HCW Evansville Development, Incorporated.

City Attorney Cirignano: Right.

Councilwoman Brinkerhoff-Riley: And now before August they're going to assign their interest to somebody else?

City Attorney Cirignano: You know, I...

Councilwoman Brinkerhoff-Riley: Will that be an Evansville...

City Attorney Cirignano: I will admit that I can't exact...some of the language that was negotiated like two years ago...

Councilwoman Brinkerhoff-Riley: Uh-huh.

City Attorney Cirignano:...and I believe there was a tax-driven reason to switch it from a corporation to an LLC or vice-versa...

Councilwoman Brinkerhoff-Riley: Right.

City Attorney Cirignano:...at some point...

Councilwoman Brinkerhoff-Riley: It would be.

City Attorney Cirignano:...and that's what they were doing but it's still the same ownership.

Councilwoman Brinkerhoff-Riley: Is there a litigation clause in here for Indiana? I don't remember off the top of my head.

City Attorney Cirignano: I...well, for one thing it involves Indiana real estate so...

Councilwoman Brinkerhoff-Riley: Okay, so it that...

City Attorney Cirignano:...it would have to, yeah.

Councilwoman Brinkerhoff-Riley: Okay. Alright, thank you. I appreciate...

Unidentified Speaker: *(Off Mic)* If I may?

President Adams: Please.

ERC President Alsman: Good afternoon. Randy Alsman, Redevelopment Commission. I thought it might be helpful to provide a little high-level sort of overview of what we're

talking about here today. Plus, it'd be a shame to waste a reserved seat so I thought I'd might as well stand up.

The project that we're trying to move forward with here and that you're doing, I think, a great job of due diligence on and clearly you've done a pretty thorough job of reviewing the agreement and I appreciate that attention. This project is maybe the most studied project in the history of this city. The result of some unexpected twists and turns, that certainly if we could have choreographed it, we would have choreographed them out, but nonetheless, they happened and they happened to advantage us in this particular stance and that's because we've spent two years researching what it costs, what it takes to build a convention hotel in downtown Indiana.

We have applied for, and been granted, the DoubleTree moniker, or the DoubleTree license. Obviously that will have to be reapplied for but nonetheless; the process has run all the way through to approval which means HCW has a great deal of very recent experience with what DoubleTree requires. The agreement, if you go back to one of the later pages...I don't have it but you'll see it in the mark-up copy, it's all in blue, requires that all of their design for this new five-story hotel be designed to DoubleTree standards so regardless of where they have to apply there or not, they have to construct it to DoubleTree standards. They know what those are. Very recently, very clearly we know what those are and so we should be pretty confident, although nothing in life is a guarantee and we can't promise you without fail that everything will happen exactly the way it is here; no one can ever do that, but we can say we've done a huge amount of work. HCW's done a huge amount of work. They know what it takes to get a DoubleTree license. We are requiring them to perform to that level. They will do that. It's in their best interest because they suffer financial penalties if they don't, which means the project is out of scope and it doesn't move forward so we feel pretty good about that.

On the construction costs, we have the benefit, maybe we wouldn't have wanted the benefit, but nonetheless we have the benefit, of having completely run a bidding process. That's how we knew that we were above budget the first time around. So very recently, in this market-area for a project very similar to this, we have done an exhaustive set of bid and rebid, understand, we bid and then rebid so we've run two bidding processes in great detail on a structure very similar to the one that we're planning here and HCW was over the top of that so HCW is very familiar with what the costs are here. Maybe more so than in many projects they've (*Inaudible*) taken.

We have switched to Hunt Construction and, as you know, Hunt Construction built the Ford Center arena so within the last several years, we have a construction company that has built a much more extensive project across the street from the hotel that we're planning to build here and parking garage. So Hunt Construction has a tremendous

amount of very valid, very relevant, very recent experience in constructing a large project in downtown Evansville right across the street from where we are. Hunt Construction will be involved in the development of the final costs for the construction of these proc...or these structures.

On the timing, and I agree, I'd love to have closing tomorrow and ground-breaking tomorrow. None of us would like to have that more, I think, than the Administration and the ERC but they do have to have construction drawings drawn in order to get bids on the construction and that takes a matter of several months so the idea here is to have a construct...have a development agreement that approves the broader framework of the agreement and the financials at actually a much more deep-level than we've been able to do in the past to give them the ability to move forward with construction drawings so that we can let the bids, so that we can come back, hopefully bring them in on budget. Now that we have the experience of the past and we have the architect working with the construction company and the developer in the development of those construction drawings. That takes a couple a months. We get the bids; that takes 30 days or so to get the bids back so we're at 90 days right there and that takes us to about the July/August or August/September timeframe to get this thing sort of underway.

So I can't stand here, no one can stand up here, and give you an unbreakable vow that absolutely everything is locked tight and guaranteed and, you know, cross my heart and hope to die, but this is one of the most researched construction projects I think this city will undertake for quite a while and to the level that that provides comfort, I think we feel pretty comfortable with the agreement that's in front of you today.

So I appreciate the time and effort you've put into working all the way up to here. I appreciate the diligence you've given into the agreement. I hope that we are able to move forward tomorrow morning. We'll see how the Redevelopment Commission members...the questions they'll have and hopefully they'll receive satisfactory answers to their questions as well, and then hopefully we can the event center stop bleeding money for lack of conventions and we can forward and it would be wonderful if we could.

So, thank you for your time.

Councilwoman Robinson: Mr. President, I have a question. No, no. Not you, I'm sorry sir but thanks for coming up and speaking to us.

I'd like to have our representatives on ERC come up and give us their opinion: Mr. Stan Wheeler and Ms. Musgrave?

Stan, you've been on ERC the longest; could you come up and just tell us what you think about this agreement and give a report to Council.

Council ERC Rep Wheeler: The agreement that I've seen has just been updated from the last one that we approved. I approved it last time and, you know, with what I've seen tonight and what I'd read in the agreement, I don't see that there's...you know, there's a few little things Stephanie called and we'll get this hotel going. What if...if this all dies my question is we still got to put a garage up for the med center so, you know, is this...if this stops then what do we have to do to get the garage for the med center so that it's there on time when it needs to be?

President Adams: Thank you.

Council ERC Rep Musgrave: Cheryl Musgrave, Commissioner on the ERC. Thank you for asking and I know how important this project is to every one of you on Council and to the Administration and to the public and to people downtown so I've paid a lot of attention to the documents that were sent to me and researched the past discussions so that I could understand and follow and make sure that I was representing you well and I appreciate the opportunity to address you tonight because there are several things in the document that caused me a lot of concern.

You've already touched on several of those tonight and you've brought out some really good points and I hope that you require the document to be amended before it's presented to the ERC for a vote for I would like those to be in writing before I vote on it. I know from my tenure in public office that what's said at public meetings must be reflected in the written document for it to be effective in the future and these documents will govern this project for at least 25 years into the future.

I noted that the confusion about the 3.6 million dollars, as to whether it was included in the 20 million dollars or not included in the 20 million dollars, and where all of that funding was to come from was not cleared up tonight at this meeting and so I need to know before I vote whether that was included or not and where it's coming from because I don't want to vote on something and have...later be told that I cause the City to enter into some sort of financial distress; that we didn't have the money to cover that bond.

And in speaking of the bond, as a member of the Commission at the last...I can't remember if it was the last meeting or the one before, Mr. Swintz, the Bond Counsel came and talked about our TIF funding and our revenues and so forth and I asked him for the bond analysis and it was promised to me but I did not get that analysis. And while I heard you, President Adams, ask if you could be assured that there was enough money. You got a verbal response that was positive and that's good to know but I'd

sure like to see the spreadsheet. When I was Commissioner of the County, the Bond Counsel gave us wonderful spreadsheets showing the future projections and I don't see why I haven't seen that yet and I don't understand why you haven't seen those documents. I don't think you should rely on just a verbal promise.

And as to the question that Councilman Brinkerhoff-Riley had regarding the employees: Could they come from Evansville or even from a narrower geography. I was here when the riverboat was approved, when the referendum went through, and I know it was a matter of the contract with the riverboat at that time that required hiring quotas from the Sixth Ward and from the Fourth Ward and while I appreciate the verbal promises that were made, I would be more comfortable with it being in the document itself.

So again, I know how important this is to you. They're asking me to vote on this tomorrow. I've heard your concerns. I'd like for the document to reflect resolution of those concerns and any others that may come forward. Does that mean I...does that mean that I want the attorneys to spend all night, you know, reviewing their notes and rewriting this? Well not really. I want this to be done in an orderly way. Perhaps we could hear it tomorrow and perhaps we could vote on it at our next meeting which I think is next week, isn't it?

Multiple Speakers: *(Off Mic) (Inaudible)*

Council ERC Rep Musgrave: The week after that? Okay, but it's not alarmingly far away. So those are my concerns.

President Adams: Is there some deadline that it has to be voted on tomorrow? Does the ERC have to make these changes tomorrow?

Mayor Winnecke: No, there's...we've...they've called a special meeting in the sense that we wanted to get approval so the constructions drawings could begin immediately.

President Adams: But that's...

Mayor Winnecke: That's the driver for the special meeting.

President Adams: Okay, but all the other things that we're talking about could wait til they were actually in print?

ERC President Alsman: *(Off Mic)* There's no external date *(Inaudible)* for tomorrow, no. *(Inaudible)* expeditious.

Councilwoman Robinson: I guess my concern is that the way the resolution reads is that if we don't change the resolution...she really has...our representatives have no say because Mr. Coures, or the Chairman, Mr. Alsmann; they can make decisions without the other two...without the other Commissioners so it's kind of like circumventing our...the people that we appointed to the board.

Council ERC Rep Musgrave: Well I do think that that's one of the more important changes that you've asked for and that has been agreed to but it does need to be...

Councilwoman Robinson: But it's...

Council ERC Rep Musgrave:...reflected in the document.

Councilwoman Robinson: It's not in the documentation.

Council ERC Rep Musgrave: Not yet, no.

City Attorney Cirignano: Excuse me. I previously indicated that I'm...we are happy to revise the resolution...

Council ERC Rep Musgrave: Yeah.

Councilwoman Brinkerhoff-Riley: No, you didn't.

City Attorney Cirignano:...so there will not be any material changes after it approved...after the approval of the agreement.

Councilwoman Brinkerhoff-Riley: No, it sounds like, and really I mean, we'll have to go back to the City Council minutes on the 3.5, now 3.6 million. That's really an issue that doesn't relate to the ERC. It sounds like the TIF bond analysis is done and that could be given to our Finance Chair and the ERC. Resolution can be amended and then Mr. Jones potentially can talk to HCW about hiring issues and so it doesn't...although probably not by tomorrow. It doesn't sound like there's an issue for your next regularly scheduled ERC meeting.

Councilman McGinn: If I might just ask a question here. I mean we can't add provisions to a contract that we have not...is that what we're trying to do here? Can I have a legal opinion? Are we entitled to tell these people to add different opinions to a contract that's been negotiated for two years? That's exactly what this...

President Adams: I don't think that's what we're asking. I think we're asking...

Councilman McGinn: Then what *(Inaudible)*?

Speaking Simultaneously

President Adams: *(Inaudible)*. That's when...because something was going to be prevented to the ERC tomorrow and it wasn't in writing. I mean that's...I think that's all that was said. I mean, I don't know.

Councilman Weaver: Who called for this special meeting and how much did this cost in advertising?

Mayor Winnecke: We...the Administration called for the special meeting. I haven't heard anything that...I mean if it's the will of this body to get that...the resolution amended, the meeting...the next meeting is in a week. Is that what you said?

Unidentified Speaker: Yeah, April 7.

Mayor Winnecke: April 7.

City Attorney Cirignano: *(Off Mic)* We can revise the resolution tomorrow morning.

Speaking Simultaneously

Unidentified Speaker: *(Off Mic)* Tomorrow morning.

Councilwoman Brinkerhoff-Riley: I mean it's not a big deal.

Mayor Winnecke: So it can be revised overnight and the morning for consideration tomorrow. Nothing you've said...

Councilwoman Brinkerhoff-Riley: Yeah, because you can provide the TIF analysis to Cheryl...well, can give that to her? Can you email...somebody email to her?

Mayor Winnecke: Russ has that.

Councilwoman Brinkerhoff-Riley: Because I missed that meeting; I had court but I didn't...I don't remember the ERC minutes but I knew Bob was there and it had been about a year since he had looked at...and that was before the adjustment to some property in the TIF.

President Adams: I think if Cheryl's going to get the TIF analysis, Conor and I would sort of like to have it.

Councilman O'Daniel: Nick, can I ask you...

President Adams: And certainly John, yeah.

Okay, have we any other comments *(Inaudible)*?

Councilman O'Daniel: Yeah, I do. Nick, John had these out and so I just wanted to check on this. As we go back to the 20 million City commitment, in looking through this, and I'm going to point you into...I don't know if you have the...

City Attorney Cirignano: Go.

Councilman O'Daniel:...have it with you.

City Attorney Cirignano: I got it.

Councilman O'Daniel: Definitional section: Public Funding. The red...it was red lined out. The public funding shall mean 20 million dollars, representing the maximum City contribution. It doesn't say anything...the ancillary projects, not more than 7.5 million. That's been upped to 9.9 million now. The blue line, which means the additions, take that from 20 million to 28.25 million, which is the maximum City contribution of 20 million, other Local Government Sources of 3.6 and the IU Med Center of 4.65 million to be contributed by the City parties for the benefit of the so on and so forth. So the public funding originally said nothing about the 3.6 million dollars of, "Other Local Government Sources", even though that's what we discussed in the bond indenture of 20 million dollars. Is that correct?

City Attorney Cirignano: Can you rephrase?

Councilman O'Daniel: The bond...the bond that we authorized was 20 million, correct?

City Attorney Cirignano: Correct.

Councilman O'Daniel: And originally this document showed a maximum City contribution of 20 million; it said nothing about the other 3.5 or 3.6 million from other governmental sources, correct?

City Attorney Cirignano: Correct. We did not allocate the County money at that point.

Councilman O'Daniel: And this is where my recollection was as we were going to bond the 20 and then they were going to pay that back, which was my recollection, so the City contribution was 16.5, CVB was two million, representing \$200,000 a year for ten years, and then 1.5 from the County; apparently it's 1.6 now. Okay, that's my starting point.

So we have this bond of 20 million. That hasn't changed at all, correct?

City Attorney Cirignano: Correct, and it can't. I mean you heard the ordinance said its 20 million dollars.

Councilman O'Daniel: Right. Then you go to Section 4.2, Subsection G and it calls about the Subject to Other Conditions. We are to provide and fully fund the public funding, so that's the 28.65...or 28.25 million as ascribed for the issuance of TIF bonds and other funds of public funding. The City has agreements and commitments in place to provide an additional 8.25 million, which is the what you've indicated as the County, CVB, and med school portions of it. These are all blue lines so they're added into this...

City Attorney Cirignano: Yep.

Councilman O'Daniel:...at this point. "Of the public funding from the med school...or from Vanderburgh County and IU Med School bond issue over and above the maximum City contribution. Furthermore the City shall fund and make all advances of public funding as called for under this agreement". How are we going to make an advance above 20 million dollars under this agreement?

City Attorney Cirignano: Okay, well first of all...

Councilman O'Daniel: I mean because that's what this says...

City Attorney Cirignano: No, I understand.

Councilman O'Daniel: We're obligated up to 28.25 million and we've only authorized a bond of 20 million.

City Attorney Cirignano: Right, you've authorized a bond of 20 million so that...

Councilman O'Daniel: So how do we get to 28.25?

City Attorney Cirignano: That's 20 million, it's correct. Okay, in the med school bond issue, there's 5.4 million dollars allocated toward half the cost of the parking garage.

Councilman O'Daniel: Okay, what that...

City Attorney Cirignano: So that gets you there...

Councilman O'Daniel: It's still 2.5 short.

City Attorney Cirignano: Exactly. Well, actually...and then, so you have your 20 million, your 5.4 from the med school bond issue for the parking garage, and then you have the County money after that.

Councilman O'Daniel: Yeah but we have to advance the County money. How are we going to bond the County money? They don't have one point...

City Attorney Cirignano: You know we're not...

Councilman O'Daniel: They don't have 2.5 *(Inaudible)*

City Attorney Cirignano: We don't have to bond it. The...

Councilman O'Daniel: How do we fund it then?

City Attorney Cirignano: One point...

Councilman O'Daniel: Where's the County coming up with this money?

City Attorney Cirignano: 1.6 million of it was from the County. They refinanced the...which bonds were they?

Mayor Winnecke: Old National Events Plaza.

City Attorney Cirignano: The Events Plaza bonds. So they had the cash. They had 1.6 million on hand which they have since...they've advanced it to the City; we have that. And then there's two million...then there's two million dollars over a 10-year period from the CVB. Now it...

Councilman O'Daniel: We have to fund...we have to advance it.

City Attorney Cirignano: No...all right take it...I'm getting there; please. But if you look at the budget, we're actually overfunded on it and so the CVB money would be spent toward the end if it's needed and so by that point we would have four to...probably \$400,000 of that in at that point and if we would need to borrow...if we would need to leverage any of that two million dollar commitment from the CVB we could get a loan from the bond bank for another \$200,000 or something like that but that would all come at the end and it shouldn't be a problem.

Councilman O'Daniel: This was all supposed to be...I mean what...we've essentially then committed to funding other governmental entity's portions of it as well, right? I mean

this the debate of what we've got is we thought we were...that was part of the 20 million to begin with and now the blue...

City Attorney Cirignano: Yeah, I don't know what your anticipation...

Councilman O'Daniel: The blue line...

City Attorney Cirignano: Yeah, I don't know what your anticipation was regarding the County money.

Councilman O'Daniel: That they would...well, that they would pay us back \$150,000 a year for 10 years basically.

Mayor Winnecke: I think maybe part of your answer is, Councilman, that HCW needed this documented in the revised development agreement in order to satisfy the needs of their lender so they had to...in other words, the lender had to see where all the funding was coming from. That, I think, is the answer to your question.

Councilman O'Daniel: Well why are we...why are we obligating ourselves to fund and make all the advances above and beyond the 20 million? That's not...that's not our agreement.

Mayor Winnecke: We're merely stating that half of the parking garage will be funded from proceeds for the medical school bond issue...

Councilman O'Daniel: Okay.

Mayor Winnecke:...and the rest is coming from the County. We're merely outlining it.

Councilman O'Daniel: But why are we obligating anything more than what the med school...I mean I think Exhibit F said 4.65 million not the 5.7 million but, you know, so why are we funding the 3.6 million from CVB and County? Why don't they go ahead and create their own agreement with HCW on that issue?

Mayor Winnecke: Well I guess technically that would be possible but I think it'd be very cumbersome too. We're merely laying out for the developer the means by which all the funding, the sources for all the funding. That's, I think, the long and short of it, isn't that right Nick?

Councilman Friend: Mayor...Mayor, what don't we...don't we have agreement with the County that would obligate them to us for this? Do we have...

Mayor Winnecke: They've already provided.

Councilman Friend: Have they given us a written agreement?

Mayor Winnecke: Is there a written agreement? They've...in a public meeting they have voted to provide the two million dollars.

Councilman Friend: I understand but we don't have a written agreement.

Mayor Winnecke: I don't know the answer to your question.

City Attorney Cirignano: *(Off Mic)* We already have the County money. It...

Mayor Winnecke: We have 1.6 million dollars of the County money. We do not have the...all the...all we have to do is go before, once the project starts, all we have to do is go before the CVB...just goes before the County Council to get that appropriation.

Councilman Friend: But CV...the CVB and the CVG, they don't...they don't have the two million dollars now.

Unidentified Speaker: No, no.

Mayor Winnecke: It's to be paid over 10 years.

Councilwoman Brinkerhoff-Riley: Yeah.

Councilman Friend: So we have to fund it.

Councilwoman Brinkerhoff-Riley: Yeah, except not to us anymore.

Mayor Winnecke: But as Nick said, we're not going to need all that upfront.

Councilwoman Brinkerhoff-Riley: It just...Councilman O'Daniel I think, because I agree with you when you look at the actual written agreement what they did to come forward to this point was just edit the old document and so with the 3.5 being originally contained within our 20, the obligation was on us to put forward the funds. Now that they've pulled it out and it's, in my opinion, being counted twice. That's where you run into the language problems of us somehow having to put forward their money when frankly we don't have access to it. We thought we had borrowed it on their behalf, which made the old agreement made sense...

Councilman O'Daniel: More sense.

Councilwoman Brinkerhoff-Riley:...but now when you don't edit those areas and you still make us obligated to put forward the funds...

City Attorney Cirignano: You know, as I said, I don't know what your anticipation was regarding County money but I can assure based...and there's reams of evidence regarding the bond issue...

Councilwoman Brinkerhoff-Riley: No.

City Attorney Cirignano:...that the bond issue was going to be in the amount of 20 million dollars. It was not going to be 20 million dollars less the County money. That was not going to happen.

Councilman O'Daniel: No, no, no.

Councilwoman Brinkerhoff-Riley: No, no.

Councilman O'Daniel: It was always at 20. It was just components of it.

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: We always borrowed 20. They were going to give us \$350,000...

Councilman O'Daniel: 16.5 City, 1.5 County, *(Inaudible)* two million.

Councilman Lindsey: Who did we make that agreement with? Was it the Commissioners or was it the County Council.

Councilwoman Brinkerhoff-Riley: Well I think it's on the record in a City Council...

Councilman O'Daniel: We got a resolution from the Commissioners.

Councilman Lindsey: Okay, then why can't the Commissioners come forward and clear this up for us then? Why do we...you know, we know what the agreement was. Everybody in this room knows what the agreement was.

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: Well they didn't have the money though, Mr. Lloyd. They didn't have it so we borrowed it on their behalf and then because of interest rates and the opportunity, they turned around and refinanced the Centre within months of our agreement so our initial agreement to borrow on their behalf kind of went out the window.

Councilman Lindsey: And that meant the Food & Beverage tax was going to be extended longer to pay off the bond so actually, we've actually been hit twice with the original agreement because that money should have been...that Centre should have been paid off sooner which would have reverted the money over to the Ford Center, which would have free up more boat money or whatever monies were used for that. So this is kind of a revolving door.

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: Well the point is that the County didn't have 1.6 million and the CVB...

Councilman Lindsey: That's right.

Councilwoman Brinkerhoff-Riley:....didn't have two. That's why we thought we were borrowing on their behalf. Now you're allowing the CVB to pay over time and the re-finance of the Centre has cut us out of...

Councilman Lindsey: What about Food & Beverage?

Councilwoman Brinkerhoff-Riley:...the repayment of those funds. I swear, I wouldn't...I'm not trying to create a story but I know we discussed it in these chambers in September of '13 and obviously we'll go back and look at...

Speaking Simultaneously

Councilman Lindsey: Well let's get the minutes and see.

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: We'll go back at the minutes.

Speaking Simultaneously

Councilman Lindsey: Let's ask the Clerk to give us the minutes and we'll *(Inaudible)*.

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: You know I don't know that it changes anything except it's upsetting but a...because I think we thought we were getting an even better deal once the County and the CVB ran into problems generating lump sums.

Councilman Lindsey: Well could all of us had the wrong...

Councilwoman Brinkerhoff-Riley: No.

Councilman Lindsey: Could we have all read that wrong? Could everybody in the room could have read that wrong. I don't think so.

Councilman Friend: *(Off Mic)* I don't think so.

Councilman Lindsey: I think if it was two or three of us...it was four or five...

Speaking Simultaneously

President Adams: But I guess... *(Inaudible)*

Councilman Lindsey: Every one of us here.

President Adams: The question is how do we resolve this tonight?

Councilman Lindsey: Well I mean I don't think we should commit another...

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: Like I said, I don't know if we can...

Councilman Lindsey:...3.5 million dollars...

Speaking Simultaneously

President Adams: I mean I don't think we can.

Councilman Lindsey:...to a project that we weren't supposed to be originally part of you know.

President Adams: That doesn't answer my question. I agree with your statement.

Councilman Lindsey: Hello.

President Adams: The driving force of, as I remember it, of getting the City component reduced was that the City would come in below 25% to 24% commitment.

Councilman Lindsey: But I don't think the percentage has anything bearing on this; has no bearing at all.

President Adams: Well it does in terms of...

Councilman Lindsey: Not the percentage doesn't because it's the dollar amount that we're talking about. Who...I mean I don't care what the percentage is, we're talking about 3.5 million dollars that was...the County obligated to us when we forwarded the loan, we were going to carry the bond for the full 20 million. Now they've come out doub...you know, twice on that.

Unidentified Speaker: But I don't think...

Councilman Lindsey: Now that's...that's not...it just doesn't work that way.

Unidentified Speaker: Now I...

Councilman O'Daniel: *(Inaudible)*...to your point, I think it was...I mean you can look at it two ways. Remember the project was in the 80s at that point not 60.

President Adams: Right.

Councilman O'Daniel: And so 20 million of public funding would have roughly corresponded to the 80 million, 25% of that, or the hotel component being, I think, reduced down to 31, 32 million at the time, 7.5 would have been roughly the...

President Adams: The hotel commitment was at 44%. The Administration brought it down to 24%.

Councilman O'Daniel: Right, right.

President Adams: And I...I think they've met that goal. Other than that...

ERC President Alsman: May I...may I help a little? I may not bring you...

President Adams: Sure, why not? I mean...

ERC President Alsman: I apologize for taking more of your time.

Speaking Simultaneously

President Adams: It's 20 of 8, why not?

ERC President Alsman: We would all like to be somewhere else, believe me.

President Adams: Not necessarily.

ERC President Alsman: And I may not bring you much joy but I'll do my best. I was not part of any discussions the Council may have had about the County's 3.5 and the 20 million bond so unfortunately I won't be able to shed any light on that but what I can tell you is that the City will be paying 20 million out of the bonds, 5.4 from the med center bonds so we are at 25.4. We already have 1.6 million from the County so now we're at 27 million. That leaves a million and a half and the CVB at \$200,000 a year would fill the rest so that's kind of the math on that. But as to whether the 3.5 million non-City money was to be repaid out of the...from the bond proceeds, its news to me. It's not been mentioned to me in my role at least, official role up to now that some of that money was going to be repaid. We've not had any contact from the County to that effect. I just checked with a couple of the folks in the Administration and the County officials have not been talking to us over the last two years about that 3.5 million dollars in the back and forth.

And I think one thing to remember is the County is getting a lot of value here. They have a convention center that's hemorrhaging because of lack of conventions and they need a convention hotel to help solve that problem. We're building a convention hotel and putting quite a bit of money into it. I don't think it would have been unreasonable in discussions in the past when that 3.5 million dollars first came up for the County to realize they're getting that much value out of the project.

Now I think the suggestion that Councilman Lindsey made about going back to minutes is probably the right thing to do to clarify for certain if there was some official action out of this body but there's not been any interaction that I'm aware of between the County and the City on that 3.5 million since way back when so I don't know if that helps but it seems to me that they're getting value and so it would of also seemed logical that they would have felt their contribution was appropriate.

Councilman O'Daniel: And that was part of the discussion is because they were completely out of the original agreement of 38 million. There was no contribution and then when you take out the retail component and some other things, that's where it came down and then Old National stepped in as a community partner and then we had the, my recollection, of course we'll go back and look at the minutes, is that the County would basically fund the upgrades to the Centre, which was part of that infrastructure component of roughly a million dollars, and then add a little kicker to it of \$500,000 or thereabouts and that would have been their component of that. And then since they control the CVB money, they would be able to allocate \$200,000 a year for 10 years to help pay down that bond but we would have to bond it first out of the 20 million.

Now, that may be part of the reason you haven't heard from 'em because they've already done the...or they've already done some of the work, or at least talked about doing some of the work, for the Centre when they refinanced and how we were getting started but that was my recollection of the discussion that went forth prior to your...your tenure.

ERC President Alsman: And the shortfall we talked about on the first budget for the hotel, the first design, the 6.5 to 8 million we've talked about here tonight a couple of times, that did not contemplate an additional 3.5 million dollars that would go back to the County. That was not part of that shortfall so at least in all of those intense discussions about trying to bring it in line financially, it was not, and maybe that was an error, I don't know, but it was not contemplated (*Inaudible*) that 3.5 million was going to be returned to the County.

Councilwoman Brinkerhoff-Riley: It wasn't going to be returned to the County. We borrowed it...we were borrowing it on their behalf and they were going pay us for it.

Unidentified Speaker: Pay us.

Councilwoman Brinkerhoff-Riley: And it doesn't show up in the first agreement. The first agreement just says 20 million. We all read that that our...they were going to...and it wasn't an official action and we don't have an agreement, although we talked about it, it terms of getting an agreement with the County that they were going to pay us that over 10 years so when it showed up at this development agreement as a separate line item outside of our 20, it drew our attention but...

Councilman O'Daniel: Well and I think what we wanted before...

Councilwoman Brinkerhoff-Riley: It is what it is.

Councilman O'Daniel:...we voted on it was we wanted some resolution or some act on the part of the County to say that they were in for that amount and I think they did that on the record.

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: Yeah and they went and did it but I don't think the resolution probably includes paying us so much as commitment to the project.

ERC President Alsman: To the project.

Councilman O'Daniel: That I don't remember.

Councilwoman Brinkerhoff-Riley: Yeah.

President Adams: Okay, are there any other burning questions that need to come to the fore.

Councilwoman Robinson: *(Off Mic)* Well, God it's so late I really don't want to ask my question.

President Adams: Please do.

Councilwoman Robinson: *(Off Mic)* Mayor, I had couple of minority companies ask me, I guess...I don't know if they were told my you or someone else that as far as the 14...*(Mic On)*...as far as the 14% and 17% for minority participation, Women in Business Owners, that it only applied to the public part, the public funding. Is that correct?

Mayor Winnecke: Well that was when there was an apartment component so now that it's all public it's irrelevant.

Councilwoman Robinson: Okay, thanks. So they will be able...

Mayor Winnecke: So that...so to answer your question, maybe more directly, the 14/7 commitment remains intact.

Councilwoman Robinson: Okay, thank you.

President Adams: Any other questions?

Councilwoman Brinkerhoff-Riley: I just want to make an observation. When we...in terms of the 24% that keeps coming up, if you look at Exhibit F, we have a total project cost of \$60,850,000. The City, and now County, and now bond school, the medical school bond, our...the public subsidy of this project has grown to \$28,250,000; \$28,250,000 divided by \$60,850,000 is 46.4%. The public subsidy on this project is 46.4%.

Unidentified Speaker: *(Off Mic)* But you got to put...

President Adams: But the only push that we had, I remember this, John and I talked until we were blue in the face, was how much the City was going to put it to support the project which was 44%...

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: Yeah, I'm just...when you add the...well but the City's...

President Adams:...originally and now it's down to 23%. I agree. I understand. There are a lot more...there are a lot more...

Speaking Simultaneously

Councilwoman Brinkerhoff-Riley: Well because the...we're responsible for the bond.

President Adams:...stuff on the outside of the hotel.

Mayor Winnecke: And just to clarify, if I may and I know the hour is growing late, but the largest driver of that increase is the expansion of the parking garage and that's being funded from the medical school project.

Councilwoman Brinkerhoff-Riley: Well it's still a public project.

Mayor Winnecke: It is and what we heard, what our understanding was from this body and the discussion of the percentage was the percentage of City commitment towards the construction of the hotel...Dr. Adams, my impression was that remain under 25% and we believe we've met that.

President Adams: And one of the crucial aspects of the med school was providing 900 parking spaces and that garage is absolutely integral to that particular project.

Okay, any other comments from the crowd or anybody else?

Unidentified Speaker: *(Off Mic)* I got a *(Inaudible)*.

President Adams: Well, actually...okay. Please sir.

Max Trager: *(Off Mic)* Max Trager, 2031 W. Indiana.

President Adams: Say it again in the...in the...

Max Trager: Okay.

President Adams: Please sir.

Max Trager: Max Trager, 2031 W. Indiana.

President Adams: Thank you sir.

Max Trager: Lived in Evansville 35 years of my life. I retired. I got a lucrative pension. I don't need a job but doggone it, we all know this motel needs to be built. Medical center coming to town; it needs to be built. I'm begging you. The citizens of Evansville are begging you. Work together, do whatever you have to. Please, let's get this thing going. Thank you.

President Adams: I think that's what we did tonight sir.

Michael Williams: *(Off Mic)* One more time. Sorry for...I know it's late and it's past my bed time already.

Crowd Murmuring

Michael Williams: *(Off Mic)* Oh, I know.

President Adams: Sir, we really don't need to hear about marijuana this time though. Come on.

Michael Williams: *(Off Mic)* Ah, well...

Laughter

President Adams: You've already said your say about marijuana.

Michael Williams: One more little thing.

President Adams: Okay, one more.

Michael Williams: Okay, is that...is that...I'm a highly skilled person, high education; worked in electronics all my life, okay, I worked my way into engineering without a college degree, even before I got a college degree, but if you want people with skilled skills to come here, you're going to have to loosen up and let people who have had a taste of freedom continue to have it here. Fourteenth amendment, yes, fourteenth amendment, ah...ah...ah...

President Adams: Sir, what's your point?

Michael Williams: Equal protection under the law.

President Adams: Time out.

Michael Williams: Thank you very much. That's all.

President Adams: All right, thank you sir.

Okay, Mr. Mayor, thank you so much for coming. I think it's important that you did come to this body and go through this process.

Mayor Winnecke: *(Off Mic)* I appreciate the opportunity. Thank you.

Councilwoman Robinson: And thank you Mr. Jones for coming. It's always such a pleasure when you come.

President Adams: Good night sir.

ONB President Jones: Yeah, I'd like to talk about marijuana if I get a second.

Laughter

Unidentified Speaker: No *(Inaudible)*. Just don't go with the Mayor on the front steps.

ONB President Jones: You know I'd be remiss...

President Adams: Which amendment would you like to talk about?

ONB President Jones: I'm sorry Dr. Adams but this has been a great process for this hotel and at the end of the day we can debate the nits and the nats and the two million and it's all important but what we've got to remember what's right for the community and this is the right thing.

Councilwoman Robinson: Yeah.

ONB President Jones: My shareholders and myself are willing to put 10 million dollars into this. We appreciate your support because it is very important to all of us so Connor, thank you for your leadership and everybody else.

President Adams: Okay, those would wish to remove themselves from the room do so quietly please.

Okay, Consent Agenda - First Reading

CONSENT AGENDA

FIRST READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2015-8

PUBLIC WORKS

LINDSEY

An Ordinance to Vacate Two 12' Alleys 1) Lying between Lots 21 thru 24 and Lot 25 of Block 103 of the Corrected Plat of Part of Lamasco, Recorded in Plat Book A, Pages 156 and 157 and Re-transcribed in Plat Book E, Pages 34 and 35 & 2) Lying between Lots 15, 16, 21, 25 and Part of Lot 26 in Block 103 of the Corrected Plat of Part of Lamasco, Recorded in Plat Book A, Pages 156 and 157 and Re-transcribed in Plat Book E, Pages 34 and 35 and Lot 5 in William Heilman's Subdivision of Lots 17, 18, 19 and 20 in Block 103 of the City of Lamasco Recorded in Plat Book C, Page 312 within the City of Evansville

ORDINANCE G-2015-9

PUBLIC WORKS

LINDSEY

An Ordinance Amending Chapter 13.15 (Water) of the Evansville Municipal Code

President Adams: Is there a motion to adopt the Consent Agenda as written?

Councilwoman Robinson: So moved.

Councilwoman Mosby: Second.

President Adams: A motion's been made and seconded. Those in favor? Opposed? So ordered.

CONSENT AGENDA
SECOND READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2015-7 **PUBLIC WORKS** **O'DANIEL**

An Ordinance to Permit Imposition of Debt Service Surcharge on Former Customers of Old State Utility

ORDINANCE F-2015-3 AMENDED FINANCE O'DANIEL

An Ordinance of the Common Council of the City of Evansville Authorizing Transfers of Appropriations, Additional Appropriations and Repeal and Re-Appropriation of Funds for Various City Funds

COMMITTEE REPORTS:

FINANCE COMMITTEE: **CHAIRMAN O'DANIEL**

Chairman O'Daniel: Mister President, your Finance Committee met this evening to hear ***Ordinance F-2015-3 Amended*** and it comes forward with a do-pass recommendation.

President Adams: And the other ordinance (*Ordinance G-2015-6*) was tabled, correct?

Councilman O'Daniel: Right.

PUBLIC WORKS COMMITTEE: CHAIRMAN LINDSEY

Chairman Lindsey: Mister President, your Public Works Committee met this evening to hear ***Ordinance G-2015-7*** and it comes forward with a do-pass recommendation.

President Adams: Is there a motion to adopt the Committee Reports and move the Ordinances to Third Reading?

Councilwoman Brinkerhoff-Riley: So moved.

Councilman Weaver: Second.

President Adams: We have a second; a motion and a second. All those in favor? Opposed. Great.

REGULAR AGENDA
THIRD READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE G-2015-7 PUBLIC WORKS O'DANIEL

An Ordinance to Permit Imposition of Debt Service Surcharge on Former Customers of Old State Utility

President Adams: Is there a motion to adopt Ordinance G-2015-7?

Councilman Lindsey: So moved.

Councilman O'Daniel: Second.

President Adams: We have a motion and a second. Please call the roll.

Comments made prior to casting their respective votes:

Councilman McGinn: I'm afraid if we don't vote aye on this these people will not have a sewer system. I mean seriously.

President Adams: Seriously.

Councilman McGinn: It'll disintegrate. I vote aye.

Councilwoman Brinkerhoff-Riley: I actually spoke with some of them in the hallway and told 'em how sorry I am that...I mean, obviously we have no control the way their system was cared for before and what's left for us to do to clean it up and...

Councilwoman Robinson: Just vote.

Councilwoman Brinkerhoff-Riley: I vote aye.

President Adams: I vote aye, unfortunately, but obviously it's needed.

ROLL CALL

Ayes: McGinn, Mosby, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

President Adams: There are nine (9) ayes and zero (0) nays. Ordinance G-2015-7 is hereby adopted.

REGULAR AGENDA

THIRD READING OF ORDINANCES AND RESOLUTIONS

ORDINANCE F-2015-3 AMENDED FINANCE O'DANIEL

An Ordinance of the Common Council of the City of Evansville Authorizing Transfers of Appropriations, Additional Appropriations and Repeal and Re-Appropriation of Funds for Various City Funds

President Adams: Is there a motion to adopt Ordinance F-2015-3 Amended?

Councilman O'Daniel: So moved.

President Adams: Need a second.

Councilwoman Mosby: Second.

President Adams: We have a motion and a second. Please call the roll.

ROLL CALL

Ayes: McGinn, Mosby, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

President Adams: There being nine (9) ayes and zero nays, Ordinance F-2015-3 Amended is hereby adopted.

MISCELLANEOUS BUSINESS

President Adams: There will not be a meeting on Monday, April 6. Is that when the last basketball game is, on April 6? The hockey will be over.

The next meeting of the Common Council will be on Monday, April 13 at 5:30 p.m. Committee meetings will begin, at least right now, at 5:15 p.m.

I passed around to you a résumé on Dean Hall. I don't know whether that's enough. I do know Dean Hall. I think he's wonderful person to join the Commission on the Social Status of African American Males. Would you want to vote on this tonight? Is there any contraindication of doing that?

Councilman O'Daniel: He's submitted his résumé. I know we have some spots to fill on there and I feel comfortable moving forward so...

President Adams: Okay, I'll entertain a motion for adoption of...

Councilwoman Mosby: So moved.

Councilman Weaver: Second.

President Adams: All those in favor? Do we need a voice vote for that?

Councilman O'Daniel: That's fine.

President Adams: I don't think. I accept the *(Inaudible)* as it is.

1) Appointee: Dean Hall

Fill the Balance 3/30/2015 - 12/31/2015

Is there any other additional miscellaneous business that we need to discuss tonight?

Councilwoman Robinson: Motion for adjournment.

President Adams: Not quite yet young lady.

COMMITTEE MEETING SCHEDULE FOR APRIL 13, 2015

FINANCE SUBCOMMITTEE: YOUTH LEADERSHIP GRANT

Re: Youth Leadership Grant
Room: Room 307 of Civic Center
Time: 4:00 p.m.
Notify: All Applicants

CHARIMAN CONOR O'DANIEL

FINANCE COMMITTEE:

Re: **Ordinance G-2015-1**
Time: 5:15 a.m.
Notify: Scott Danks

CHARIMAN CONOR O'DANIEL

Authorizing Various Accounts of the
City of Evansville, Indiana and
Requiring Disclosure of Transfers

PUBLIC WORKS COMMITTEE:

Re: **Ordinance G-2015-9**
Time: 5:20 p.m.
Notify: Ted Ziemer

CHAIRMAN AL LINDSEY

Amending Chapter 13.15 (Water) of the
Evansville Municipal Code

Re: **Ordinance G-2015-8**
Time: 5:25 p.m.
Notify: Bret Sermersheim,
Morley & Associates

Vacate Two (2) 12' Alleys in Lamasco

A.S.D. COMMITTEE

No meetings scheduled at this time

CHAIRWOMAN STEPHNIE BRINKERHOFF-RILEY

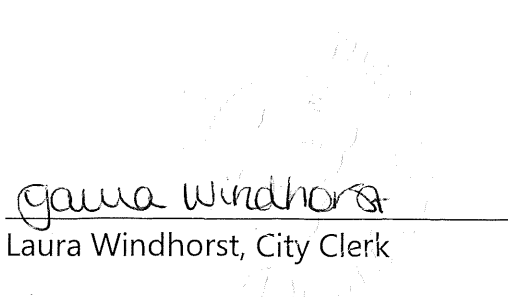
ADJOURNMENT

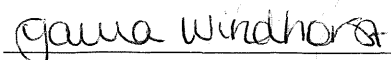
President Adams: Now Madam, motion to adjourn?

Councilwoman Robinson: *(Off Mic) (Inaudible)*

President Adams: All those in favor? So moved.

Meeting adjourned at 8:00 p.m.





Laura Windhorst, City Clerk



H. Dan Adams, President